

SPECIAL AGREEMENT
FOR ELECTRIC UTILITY SERVICE TO LITCHAIN CORPORATION

THIS AGREEMENT, effective September 8, 2021, is by and between the Gaffney Board of Public Works ("BPW"), Gaffney, South Carolina, and Litchain Corporation (LC), a prospective customer which has made application for electric utility service from the BPW in accordance with the BPW's policies, regulations and rates. LC's electrical loads are expected to grow to a level which will qualify for the applicability of BPW's Economic Development Incentive Rate ("Schedule I") and Credit for New Loads ("Schedule I Economic Development Credits") for electric service as more fully described in this Agreement.

RECITALS

A. The BPW has duly approved Schedule I to provide electrical service to industrial customers which meet the applicability criteria. A copy of Schedule K, Schedule I, and Schedule I Economic Development Credits is attached hereto and incorporated herein by reference.

B. The Schedule K, Schedule I, and Schedule I Economic Development Credits, and other schedules and credits the BPW may offer from time to time, are available to LC, as an electrical customer of the BPW, upon satisfaction of certain applicability provisions described in Section 1, Section 2, and Section 3 of this Agreement.

C. LC provided its potential electric load forecast to the BPW. Based upon these load forecasts, the BPW offered LC a proposal which includes electrical service under Schedule I, and Schedule I Economic Development Credits. During the term of this Agreement as provided in Section 4, LC also has the right and option to receive service under different schedules and credits as provided in Section 3 (1) hereof.

Section 1: Conditions of Applicability for Rate Schedule K

The BPW agrees to provide LC with electric service under Schedule K as temporary service upon commencement of operations until the time LC's load reaches the criteria for Schedule I.

Section 2: Conditions of Applicability for Rate Schedule I

The BPW will provide LC electrical service under Schedule I and the Schedule I Economic Development Credits provided that LC meets the following conditions:

1. The Schedule I remains applicable only if LC's monthly peak load is in excess of 750 kW on average, with an average monthly load factor of not less than 45%.

2. The Schedule I Economic Development Credits will become applicable and remain applicable only if LC's monthly peak load is in excess of 1,000 kW on average.

3. LC loads must satisfy the Schedule I criteria by March 1, 2022, or the offer of the BPW Schedule I will be withdrawn.

Section 3: Option for Change of Rate Schedule

1. At any time during the term of this Agreement and any extension thereof, LC has the option to request a switch to another electric rate schedule available from the BPW; provided, however, that LC meets all of the criteria of the rate schedule to which it desires to switch, and BPW approves the change of rate. LC can request to switch rate schedules a maximum of one time a year. The rate schedules from which LC has an option to choose from will be the schedules available from the BPW at the time of the decision. If a rate switch is made BPW reserves the right to modify or establish a new special service agreement.

2. Any decision by LC to switch to another electric rate schedule must be in the form of a written request submitted to the Board of Public Works, and the new electric rate schedule, including any applicable credits, shall take effect upon approval by the BPW.

Section 4: Term of Contract

1. After the completion of construction of the LC facility and at the time the facility becomes operational, this Agreement will commence and continue for a term of eight (8) years. LC will notify the Board of Public Works in writing of the date of facility completion and commencement of operations.

2. The Schedule I Economic Development Credits will commence when LC's load reaches 1,000 kW, on average, and has an average monthly load factor of 45%, and will terminate forty-eight (48) months from the date such Schedule I Economic Development Credits are applied in accordance with Schedule I. Credits will be applied as a straight pass through from PMPA to LC through monthly billing according to Schedule I.

3. At the end of the initial eight (8) year term, and without either party taking action with respect to the terms of this Agreement, this Agreement is automatically renewable, and the parties will continue the application of the service, schedule, and credits then in effect unless later revised hereunder, for successive one-year terms.

Section 5: Special Terms and Conditions

1. This Agreement and the application of Schedule I are subject to the condition that if future wholesale rates for the Economic Development Rate or successor charged by Piedmont Municipal Power Agency (PMPA) are increased and are no longer competitive with other qualified power suppliers, this contract may be canceled by LC upon ninety (90) days written notice to the BPW. Upon cancellation, LC would be required to reimburse the BPW credits received based on the PMPA participant responsibility schedule provided in the additional credits rider.

Section 6: Quality of Service

In an effort to provide the highest level of service to LC and other customers, the BPW constantly strives to keep its distribution system properly maintained and in good operating condition. In its goal to maintain a top quality system, the BPW agrees to the following service conditions:

1. BPW will perform tree trimming on all distribution lines on its system at least once every four (4) years. Main feeder lines will be inspected, and trimmed if needed, once a year to insure the main lines remain free from tree growth. The BPW maintains two full-time tree trimming crews to perform this task.
2. In the event of a problem with the electrical service to the LC facility, a BPW service employee will respond to the problem and be on the scene within 30 minutes. This employee will ascertain the problem and advise the customer, to the best of his ability, regarding the length of time to repair the problem.
3. The BPW will maintain spare parts and equipment for repair and/or replacement of the equipment used to provide electric service to LC's facility. These parts will be located at the Central Warehouse. LC is choosing to provide its own distribution transformers (2500 KVA, 240/416 v).
4. The BPW currently operates three (3) bulk power delivery stations on its system. The BPW can serve LC from either station with a high level of reliability. A fourth delivery station is being designed in the vicinity of the LC site.
5. The BPW has access to technical expertise in the field of electrical operations from which LC may benefit. This expertise will be available to LC whenever it is needed.

Section 7: Other terms; Notices

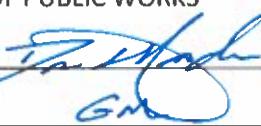
1. Per BPW policy, LC will be required to pay a deposit that is equal to LC's expected two highest month utility bill average.
2. The terms and conditions contained in this Agreement shall represent the final terms and conditions. In addition to this agreement, all standard BPW policies apply.
3. Any notices required under this Agreement are to be provided to the following:

As to the BPW: General Manager
Board of Public Works
210 East Frederick Street
Post Office Box 64
Gaffney, South Carolina 29342

As to LC: Tony Tate
Litchain Corporation
President
118 ½ Willis Plaza
Gaffney SC 29340

IN WITNESS WHEREOF, the BPW and LC have caused this Agreement to be signed by their duly authorized representatives.

BOARD OF PUBLIC WORKS

By: 

Its: 

ATTEST



LITCHAIN CORPORATION

By: 

President

ATTEST

Tony Tate